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Castellum Helsinki Finance Holding's parent company, Castellum Aktiebolag, intends to carry out a fully underwritten rights issue of approximately SEK 10 billion to strengthen its financial position

The Board of Directors of Castellum Aktiebolag, Castellum Helsinki Finance Holding Abp's parent company, has resolved to propose that the Annual General Meeting 2023 of Castellum Aktiebolag authorises the Board of Directors of Castellum Aktiebolag to resolve upon a new share issue with preferential rights for existing shareholders.

In order to strengthen Castellum Aktiebolag's financial position, the Board of Directors of Castellum Aktiebolag will propose that the Annual General Meeting of Castellum Aktiebolag authorises the Board of Directors of Castellum Aktiebolag to resolve on a rights issue of approximately SEK 10 billion. The rights issue is fully underwritten through subscription undertakings and guarantee commitments. A detailed time plan and the terms and conditions for the rights issue will be announced by Castellum Aktiebolag at a later stage. However, it is expected that the rights issue will be carried out during the second quarter of 2023. The proposal for the authorisation of the Board of Directors of Castellum Aktiebolag will be included in the notice to the Annual General Meeting of Castellum Aktiebolag, which will be published separately by Castellum Aktiebolag.

Background and reasons

Castellum Aktiebolag believes that the rights issue enables Castellum Aktiebolag, in the current macroeconomic environment, to, (i) manage balance sheet liquidity alongside repayment of upcoming near and mid-term bond maturities with adequate margins, (ii) maintain and reinforce Castellum Aktiebolag's credit profile and public credit rating and (iii) enable Castellum Aktiebolag to keep growing selectively through planned and future value-creating development projects.

Castellum Aktiebolag's business model with stable and predictable cash flows is further strengthened by the rights issue, which is considered to increase Castellum Aktiebolag's attractiveness as an investment. Investors are hereby given access to one of the Nordic region's leading commercial property companies – with a property value of approximately SEK 181[1] billion – largest among Nordic listed companies in the office space and second largest in the logistics segment.

In addition, Castellum Aktiebolag has a significant exposure to public sector tenants – i.e. government agencies and departments – as well as exposure to the most active metropolitan areas in the Nordic region, characterised by strong macroeconomic fundamentals and an attractive underlying real estate market.

Castellum Aktiebolag's cash and unutilised credit facilities amounted to SEK 26.21 billion at the end of 2022, adjusted for the rights issue. Moreover, Castellum Aktiebolag's LTV[2] will decrease from 42.3% to 36.7% and its net debt to EBITDA[3] from 13.6x to 11.9x (excluding any potential further positive impact deriving from the assets disposal already announced and not yet closed). The proposed rights issue is expected to validate Castellum Aktiebolag's current Baa3 Moody's credit rating and create the conditions to strengthen Castellum Aktiebolag's credit rating over time, which is Castellum Aktiebolag's ambition.

Subscription undertakings, guarantee commitments and voting commitments

Akelius Residential Property AB (publ), Castellum Aktiebolag's largest shareholder, representing 12.8 per cent of the shares and votes in Castellum Aktiebolag (excluding treasury shares), has undertaken to vote for the Board of Directors' proposal at the Annual General Meeting of Castellum Aktiebolag and to subscribe for its pro rata share (12.8 per cent) of the rights issue. In addition, Akelius Residential Property AB (publ) has entered into a guarantee undertaking to subscribe, subject to certain terms, for an additional 29.1 per cent of the rights issue without subscription rights.

Citigroup Global Markets Europe AG and Nordea Bank Abp, filial i Sverige have entered into a so-called standby underwriting agreement, subject to customary terms, for the remaining part of the rights issue, which commitment is envisaged to be replaced by an underwriting agreement upon launch of the rights issue. Hence, the rights issue is fully covered by subscription undertakings and guarantee commitments.

For further information, please contact:

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About Castellum

Castellum Aktiebolag is one of the largest listed property companies in the Nordic region that develops flexible workplaces and smart logistics solutions. As of 31 December 2022, the property value totalled approximately SEK 181[4] billion, including the ownership share of the Norwegian company Entra ASA. We are active in attractive Nordic growth regions. One of our sustainability goals is to become entirely climate neutral by 2030 at the latest. Castellum Aktiebolag is the only Nordic property and construction company elected to the Dow Jones Sustainability Index (DJSI). The Castellum share is listed on Nasdaq Stockholm Large Cap.

Beyond expectations.

www.castellum.se

IMPORTANT INFORMATION

None of the securities referred to herein have been or will be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or the securities laws of any state or other jurisdiction in the United States, and may not be offered, pledged, sold, delivered or otherwise transferred, directly or indirectly, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with applicable other securities laws. There will not be any public offering of any of the securities in the United States.

In the United Kingdom, this press release is directed only at, and communicated only to, persons who are qualified investors within the meaning of article 2(e) of the Prospectus Regulation (2017/1129) of the European Parliament and of the Council of 14 June 2017 as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018 who are (i) persons who fall within the definition of "investment professional" in article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), or (ii) persons who fall within article 49(2)(a) to (d) of the Order, or (iii) persons to whom it may otherwise be lawfully communicated (all such persons referred to in (i), (ii) and (iii) above together being referred to as "**Relevant Persons**"). This press release must not be acted on or relied on by persons in the UK who are not Relevant Persons.

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This press release contains forward-looking statements that reflect Castellum Aktiebolag's current view of future events as well as financial and operational development. Words such as "intend", "assess", "expect", "may", "plan", "estimate" and other expressions involving indications or predictions regarding future development or trends, not based on historical facts, identify forward-looking statements and reflect Castellum Aktiebolag's beliefs and expectations and involve a number of risks, uncertainties and assumptions which could cause actual events and performance to differ materially from any expected future events or performance expressed or implied by the forward-looking statement. The information contained in this press release is subject to change without notice and, except as required by applicable law, neither Castellum Aktiebolag nor Castellum Helsinki Finance Holding Abp assume any responsibility or obligation to update publicly or review any of the forward-looking statements contained in it and nor does it intend to. You should not place undue reliance on forward-looking statements, which speak only as of the date of this press release. As a result of these risks, uncertainties and assumptions, you should not place undue reliance on these forward-looking statements as a prediction of actual future events or otherwise.

This announcement does not constitute an investment recommendation. The price and value of securities and any income from them can go down as well as up and you could lose your entire investment. Past performance is not a guide to future performance. Information in this announcement cannot be relied upon as a guide to future performance.

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In the EEA Member States, with the exception of Sweden, (each such EEA Member State, a “**Relevant State**”), this press release and the information contained herein are intended only for and directed to qualified investors as defined in Article 2 (e) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (the “**Prospectus Regulation**”). The securities mentioned in this press release are not intended to be offered to the public in any Relevant State and are only available to qualified investors except in accordance with exceptions in the Prospectus Regulation. Persons in any Relevant State who are not qualified investors should not take any actions based on this press release, nor rely on it.

[1] As of 31 December 2022 in accordance with the Castellum Aktiebolag year-end report 2022, which will be published on 13 February 2023 at 08:00 am CET.

[2] Interest-bearing liabilities after deduction for cash and cash equivalents as a percentage of total assets.

[3] Interest-bearing liabilities after deduction for cash and cash equivalents in relation to net operating income less central administrative expenses. In the interim accounts, net operating income less central administrative expenses have been recalculated on an annual basis, disregarding seasonal variations normally occurring in operations.

[4] As of 31 December 2022 in accordance with the Castellum Aktiebolag year-end report 2022, which will be published on 13 February 2023 at 08:00 am CET.

This information is information that Castellum Helsinki Finance Holding Abp is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact persons set out above, at 2023-02-13 07:46 CET.

Attachments

[Castellum Helsinki Finance Holding's parent company, Castellum Aktiebolag, intends to carry out a fully underwritten rights issue of approximately SEK 10 billion to strengthen its financial position](#)